



Office of Inspector General  
U.S. Department of State  
U.S. Information Agency, including  
Broadcasting Board of Governors

# MONTHLY REPORT OF ACTIVITIES

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*audits, inspections, testimony, and special activities*

**September 1999**

This report describes testimony provided by the Inspector General or other OIG officials and lists OIG reports issued during the period indicated. This report includes unclassified summaries of classified reports; all text in this report is unclassified. Classified reports are not distributed publicly. On occasion, OIG distributes an unclassified version of a classified report; in such a case, this listing also indicates the issued date of the original report. In addition, all major reports, together with OIG investigative activities are summarized in the Inspector General's semiannual reports to the Congress, which are publicly available every June and December.

## **Congressional and Outreach Activities**

No activity to report for September.

## **Reports Issued by the Office of Audits**

### **Cyprus Fulbright Commission (USIA-99-CG-017)**

OIG conducted an audit of the financial and management operations of the Commission for Educational Exchange between the United States of America and Cyprus (the Commission). The primary purpose was to determine if the Commission adequately accounted for Federal funds and complied with the terms and conditions of agreements, applicable laws, and regulations. The audit covered activities during the period October 1, 1995, through September 30, 1998, for the Cyprus-American Scholarship Program (CASP) totaling approximately \$51 million. Overall, the Commission adequately accounted for Federal funds and had supporting ledgers containing sufficient detail to support receipts and expenditures. Problems existed, however, in planning for the use of surplus funds of about \$610,000 in its traditional Fulbright and CASP programs. OIG recommended that these surplus funds be used to offset the Commission's future-year allocations, and return expired CASP funds to the U.S. Treasury. Further, OIG questioned costs spent for bicommunal programs and activities that did not fall within the scope of the agreements or attached budgets.

### **Review of Planning and Management of Lisbon Expo 98 (USIA-99-CG-019)**

The OIG conducted a review of the planning, management, and procurement activities related to the 1998 World Exposition (Expo 98) held in Lisbon, Portugal, from May 22 through September 30, 1998. The review focused on these issues because previous OIG audits of the U.S. Government's participation in international fairs and expositions found the actions of USIA to be problematic. The review disclosed problems with planning for Expo 98, managing U.S. pavilion operations, and procuring goods and services, during both the preparation and operations phases. Although the U.S. pavilion opened on time, preparation for the event started at least a year late. The lack of proper planning and competition in awarding some contracts significantly increased costs and also may have contributed to potential liabilities of about \$720,000. In addition, two lawsuits were filed against the U.S. pavilion's primary construction contractor by a subcontractor, causing, among other problems, the shutdown of the pavilion's restaurant before the close of the world's fair. The OIG recommended that USIA seek clarification of the statute prohibiting use of USIA funds and clarifying Government sponsorship

of such activities. OIG also recommended that USIA prepare a handbook with specific guidance on applicable laws and regulations. In addition, OIG expressed concern about the lack of funding for Hanover 2000.

**Department of State Support for U.S. Business Abroad (99-CI-021)**

The Department of State, by statute and numerous policy statements over the last decade, has a strong commitment to support U.S. business abroad. This review was conducted to evaluate whether the Department was meeting its stated goals and objectives to promote and support U.S. business abroad.

The review found business executives' opinion of post commercial programs and support services for U.S. business abroad to be positive, largely because of the activist role played by ambassadors and deputy chiefs of mission. However, OIG found opportunities for improvement. The Office of the Coordinator for Business Affairs (EB/CBA), bureau, and post efforts to support U.S. business abroad need better coordination; the level of programs and support services available varied from post to post due to minimal evaluations and oversight by EB/CBA and bureau coordinators; communication systems with the Department of Commerce need improvement; and better performance measures are needed for non-Foreign Commercial Service posts.

OIG recommended that EB/CBA actively provide oversight and direction to bureau commercial coordinators on how to manage the commercial activities carried out by the posts. As part of this effort, EB/CBA should regularly coordinate with the bureau commercial coordinators on policy and program matters related to export promotion.

OIG also recommended that regional bureau commercial coordinators, in coordination with EB/CBA:

- assist posts in developing performance measures that take into account available data on resources and outputs, measures of outcomes, and customer satisfaction; and
- conduct periodic evaluations of commercial services and programs at non-Foreign Commercial Service posts to assess the type, delivery, value, and outcome of services rendered to U.S. firms seeking business abroad.

**Review of Office of Cuba Broadcasting's Administrative Practices (99-IB-023)**

The Director, Office of Cuba Broadcasting (OCB), requested that OIG evaluate OCB administrative practices to assist the new management team in identifying problems and, as appropriate, recommend improvements in operations. The Director also requested that OIG evaluate several issues related to OCB's relocation to its new headquarters in Miami, Florida.

OIG found that OCB was lax in following established procurement and contracting procedures. Such deficiencies included limited competition for blanket purchase agreements, unauthorized contracts with relatives of OCB employees, unauthorized commitments, inadequate documentation of procurement and contract files, and questionable funding of a research contract. Prior to completion of the review, OCB informed OIG that it already had taken action to address some of the deficiencies identified by OIG.

OCB management was not complying with established personnel policies and procedures. In reorganizing the office, OCB management assigned or detailed some employees to new positions without informing them in a timely manner, consulting with the International Broadcasting Bureau's (IBB) Office of Personnel, and preparing the appropriate paperwork. Many employees were also working without position descriptions or position descriptions with outdated certifications. In addition, many OCB employees did not receive their annual performance evaluations for the 1996-97 rating period. With the addition of a full-time personnel specialist in Miami, IBB Personnel was taking a more active role in helping OCB improve its personnel practices. IBB Personnel officials indicated that all OCB employees now have position descriptions. However, some performance appraisals were still overdue.

OCB was not following sound internal controls concerning its personal property inventory, which had an estimated value of over \$8 million. No single individual in OCB was responsible for ensuring that inventory requirements were carried out, and OCB employees involved in the personal property process were unclear what inventory procedures applied to OCB. In addition, IBB and USIA had no record that OCB completed a personal property inventory for several years prior to the start of the OIG review. Also, IBB needed to improve its oversight of OCB inventory practices. With the completion of its headquarters relocation to Miami, OCB has been more focused on property management issues and was working to complete a full personal property inventory by the end of July 1999.

OIG examined various issues related to the move to the new OCB headquarters in Miami, Florida, including what the OCB Director perceived as excessive project delays, possible overpayments on the lease for the new facility, and overestimated savings. OIG concluded that the original occupancy date was not realistic, and law and funding issues complicated the relocation. According to General Services Administration and OCB officials, decisions about the

facility layout plan also were delayed. In addition, OIG found the new lease rate, when adjusted for renovation costs, appeared comparable to what OCB had paid to lease office space in its former building. Also, the annual cost savings resulting from the move may be about 36 percent of the originally estimated \$5.8 million.

OIG made recommendations designed to improve OCB administrative operations in the areas of procurement and contracting, personnel management, and personal property management. IBB generally agreed with the recommendations.

**Review of Claimed Costs Under USIA Awards to the Washington Workshops Foundation (USIA-99-CG-025)**

OIG performed a review of costs claimed by the Washington Workshops Foundation under grants totaling \$1.5 million. OIG found that expenditures of Federal funds were not always properly documented or used for authorized purposes. As a result, OIG questioned costs totaling about \$913,000. Of that amount, \$388,000 was classified as unsupported because of a lack of documentation, and \$525,000 was unallowable under OMB Circular A-122 and the agreements. The majority of the unallowable costs included overcharging the grant for more than the actual cost incurred for participant housing and misuse of grant funds for transportation and cultural allowances incurred for the Foundation's private programs. OIG also found material internal control weaknesses, including inadequate procedures and system for accounting for Federal funds as required by OMB Circular A-110; and, noncompliance with applicable laws and regulations, such as failure to submit OMB Circular A-133 audit reports, inadequate procedures for cost sharing, failure to obtain nonprofit status, and lack of time sheets. In addition, OIG's analysis showed that the Foundation's flat rate charge of \$795 per student, used for grants awarded subsequent to those audited by OIG, was not reasonable.

**Review of United States Information Agency Awards to the American Council of Learned Societies Supporting the Vietnam Fulbright Economic Teaching Program (99-CG-026)**

OIG performed a limited review of USIA grants to the American Council of Learned Societies (ACLS) and its subrecipient, the Harvard Institute for International Development (HIID) supporting the Fulbright Economic Teaching Program in Vietnam. The primary objective of the review was to determine if ACLS and HIID adequately accounted for Federal funds and complied with the terms and conditions of agreements. OIG found that ACLS' expenditures of Federal funds were not always adequately recorded, properly documented, or used for authorized purposes. As a result, OIG questioned costs totaling about \$1.1 million that were unallowable or unauthorized under OMB circulars and the grant terms and conditions. The majority of

unallowable costs, although incurred on behalf of a USIA-sponsored program, resulted from ACLS' policy of "pay-as-you-go," which disregarded grant periods and restrictions.

**International Law Enforcement Coordination and Oversight (99-CI-027)**

Law enforcement is identified in the administration's international affairs strategy as one of seven major national interests. Chiefs of Mission (COMs) and deputy chiefs of mission (DCMs) have the responsibility to coordinate U.S. law enforcement operations as an integral component of U.S. foreign policy. In November 1996, a Memorandum of Understanding (MOU) was signed by the Departments of State, Justice, and Treasury outlining the authorities and responsibilities of each agency in this area. OIG undertook this audit to identify problems relating to law enforcement coordination and oversight.

During the review OIG found that COMs and DCMs have the authority to coordinate and oversee law enforcement operations but may not always have sufficient information. The COM seminar at the Foreign Service Institute (FSI) does not adequately alert the participants to issues of practical importance. OIG also found that law enforcement personnel need better preparation for service overseas. There is no standardized minimal level of training for law enforcement personnel working at a diplomatic mission. As a result, they are not always aware of all the possible adverse diplomatic ramifications of law enforcement activities abroad. Regarding the MOU, OIG found there was widespread knowledge of its existence but not all COMs, DCMs, and law enforcement agency heads had read it or had copies available for reference.

OIG major recommendations are that:

- FSI should revise Chief of Mission and deputy chief of mission training on law enforcement oversight and coordination to place specific emphasis on their rights and responsibilities under the 1996 MOU and on procedures for obtaining Departmental guidance on law enforcement issues.
- FSI should survey current law enforcement training and orientation activities of other components of the Department, prepare an information packet concerning these activities for dissemination to law enforcement agencies of the Departments of Justice and Treasury, and offer to help these agencies improve their training programs for personnel assigned abroad.
- The Office of the Legal Adviser, in conjunction with the Bureau of International Narcotics and Law Enforcement Affairs and the Bureau of Intelligence and Research,

should reissue the November 1996 MOU on an annual basis, with revised implementing instructions, if deemed necessary and appropriate.

**Audit of Consular Fraud Prevention Programs (99-CI-028)**

OIG reviewed the Department of State's antifraud programs developed and managed by the Bureau of Consular Affairs, Office of Fraud Prevention Programs (CA/FPP), and antifraud units at overseas posts and passport agencies in the United States. Specific audit objectives were to determine whether the Department is providing overseas posts and domestic passport agencies with adequate staffing resources and guidance; to determine whether consular and domestic passport agency personnel are adequately trained; to evaluate the adequacy and use of data; to determine whether coordination of antifraud efforts among the various sections at post, passport agencies, the Department, and other relevant U.S. Government agencies is adequate; and to determine whether internal controls at posts and passport agencies are adequate.

The Bureau of Consular Affairs (CA) has recognized the importance of consular antifraud operations. One of CA's strategic goals and several operational goals for FY 1999 address antifraud issues. The bureau has introduced a secure border crossing card and a photodigitalized passport, enhanced data sharing via the Interagency Border Inspection System, installed modernized consular systems worldwide, improved effectiveness of the namecheck system, and increased efforts to counter document fraud. In addition, CA/FPP has shifted focus from a casework approach to an analytical approach, developed an objective databased model for identifying high-fraud posts, and developed and disseminated an antifraud newsletter describing fraud trends and patterns. The bureau still needs to address the effect of staffing difficulties, inadequate training, and insufficient guidance on identifying and deterring consular fraud.

OIG found that at the 10 locations visited: line staff at domestic and overseas locations were not sufficiently experienced and trained to identify fraud; the number and experience level of staff in the consular section and the antifraud unit is inconsistent with the level of fraud at the post; although antifraud unit staff are strongly motivated, well regarded, and enthusiastic, their efforts are often frustrated by lack of sufficient resources, training, guidance, and management support; and coordination of antifraud efforts among sections at posts was good.

OIG recommended that the consular officers be required to have antifraud training at post before going to work on the consular line and that CA/FPP:

- actively seek staff with visa experience to meet its needs;



- have input into the assignment process to ensure that full-time antifraud officers serve at high-fraud posts;
- develop and disseminate written guidance on establishing and managing an antifraud unit including guidance on supervision, case tracking, investigative case files and reports, and workload priorities; and
- identify those regions most in need of antifraud training and develop training to meet those needs.

#### **Accounting for Increased Visa Fees of the American Institute of Taiwan (99-CG-029)**

As a follow up to OIG's March 1998 Special Status Report on the Financial and Administrative Operations of the American Institute of Taiwan (AIT), OIG conducted a limited quality assurance review of workpapers prepared by AIT's independent accounting firm in connection with its OMB Circular A-133 audits of the AIT for FYs 1992-95. The objective was to determine whether the firm performed sufficient work to ensure that increased visa revenue had been properly accounted for. In an audit report issued in 1996, the firm stated that a \$5.3 million increase in visa fees was accounted for. The final Circular A-133 audit report covering FYs 1994-95 was issued in December 1998 and did not include the followup work completed to account for the \$5.3 million. OIG's review of supporting workpapers, explanations, and calculations showed that the independent accounting firm had a reasonable basis for its conclusion that the \$5.3 million in visa fees had been accounted for.

#### **Audit of the Department of State's 1997 and 1998 Principal Financial Statements (99-FM-031)**

The Government Management Reform Act (GMRA) requires the OIG to audit the Department's Principal Financial Statements, in order to obtain reasonable assurance and express an opinion on whether the financial statements were free of material misstatements, to determine whether the Department had an internal control structure that provides reasonable assurance of achieving internal control objectives, and to determine whether the Department complied with applicable laws and regulations.

The OIG is issuing an unqualified opinion on the Department's 1998 Principal Financial Statements, which means the financial statements were free of material misstatements. Although an unqualified opinion is being issued for the 1998 Principal Financial Statements, the report brings to management's attention concerns with security over the domestic main frame computers and the Paris Accounting and Disbursing System; the inadequacy of internal controls

over the management of unliquidated obligations; and the inadequacy of the Department's financial and accounting system. Weakness in the Department's financial accounting system is both an internal control weakness and an issue of noncompliance with several laws and regulations, including the Budget and Accounting Act of 1950, the Federal Managers' Financial Integrity Act, the Chief Financial Officers Act, and the Federal Financial Management Improvement Act. OIG also brings to management's attention noncompliance with the GMRA which requires agencies to prepare audited financial statements and submit them to the Office of Management and Budget by March 1 of each year.

**Audit of the International Cooperative Administrative Support Services Program's 1997 and 1998 Financial Statements (99-FM-032)**

OIG audited the International Cooperative Administrative Support Services (ICASS) Program's 1997 and 1998 Financial Statements in order to obtain reasonable assurance and express an opinion on whether the financial statements were free of material misstatement, to determine whether ICASS had an internal control structure that provided reasonable assurance of achieving internal control objectives, and whether ICASS complied with applicable laws and regulations.

The OIG is issuing an unqualified opinion on the ICASS' 1997 and 1998 Financial Statements, which means the financial statements were free of material misstatements. Although an unqualified opinion is being issued for the 1997 and 1998 financial statements, the report brings to management's attention concerns with security over the domestic main frame computers and the Paris Accounting and Disbursing System. The report cites the inadequacy of the Department's financial and accounting system, which is both an internal control weakness and an issue of noncompliance with several laws and regulations, including the Budget and Accounting Act of 1950, the Federal Managers' Financial Integrity Act, and the Chief Financial Officers Act.

## **Reports Issued by the Office of Inspections**

### **Inspection of Embassy Kathmandu, Nepal, and USIS Nepal (ISP/I-99-21)**

Embassy Kathmandu is well led and, despite real hardships, has good morale. Security is a key concern because U.S. facilities are scattered; a new facility to house the consular section and USIS should be built immediately. Old and inadequate equipment and furnishings also need to be replaced. Improvements are needed in the Embassy's relationship with the Peace Corps, and many Peace Corps volunteers expressed concern about security. There is a need for analytical reporting on the prospects for Nepal's nine-year-old experiment in democracy and the threat posed by a Maoist insurgency. With 34,000 Americans now visiting Nepal each year, the post and Department also need to insure that consular travel advisories adequately reflect changing security conditions.

### **Inspection of Embassy Santo Domingo, Dominican Republic, and the USIS Dominican Republic (ISP/I-99-24)**

Under the leadership of a chargé d'affaires for the last 18 months, Embassy Santo Domingo has made considerable progress in advancing U.S. interests in promoting democracy and law enforcement. The chargé and the senior staff have excellent relations with the host government and other important leaders. USIS has played a central role in helping develop and implement strategies and public affairs plans in mission campaigns aimed at securing Dominican cooperation on difficult law enforcement issues. Executive office oversight of the administrative section has been inadequate, due in part to the lack of a full-time deputy chief of mission. The International Cooperative Administrative Support System (ICASS) council at Santo Domingo is inactive. Administrative support services do not meet Department standards and should be improved in the general services, personnel, and financial management areas. Mission preparations for year 2000 issues are progressing well, and post has solid contingency plans. Security is well managed and fully supported by embassy management. The seismic and security weaknesses of the consulate building and the dramatic increase in the demand for consular file space demand attention. Considering the enormous workload and the high fraud environment, the consular section is doing a good job.

### **Review of Consulate Lyon, France (ISP/I-99-25)**

Consulate Lyon was established in February 1999, under the terms of an agreement between the Department and the House Appropriations Committee to establish small, limited function posts in a strategic region. The OIG review of Consulate Lyon was conducted in response to a request from the Under Secretary for Management that OIG examine whether the post is meeting concrete U.S. Government needs in a new and efficient manner.

OIG found that Consulate Lyon does meet concrete U.S. Government needs in an important region of France in a new and efficient manner. The consulate has enhanced the ability of Embassy Paris to accomplish its objectives. This has been accomplished at modest additional cost because the post has only one American officer and four FSN employees, all of whom have been transferred from existing functions in Paris, and because most administrative and consular functions are still handled by Embassy Paris.

The concept is an innovation worthy of further study and selective replication, with the collaboration of State and Commerce Departments and perhaps other foreign affairs agencies.

### **Management Controls for Small Embassies (ISP/I-99-26)**

The lack of qualified bidders, the absence of directed assignments, the dearth of adequate backup, and long staffing gaps in administrative and consular positions leave small posts vulnerable to management control weaknesses. Temporary duty personnel are frequently used to fill staffing gaps but often lack the background and training to oversee management controls. Regional support for small posts is frequently weak or nonexistent, and does not adequately compensate for the lack of experienced personnel in key positions. As a result, management control reviews do not identify all areas of weakness, and management control certifications made by ambassadors at these posts are often unreliable.

The Department of State should minimize staffing gaps in small posts, address training needs more thoroughly, and assure that appropriate regional support is funded and provided. The Department must make a concerted effort to implement previous OIG recommendations affecting these functions and consider additional initiatives to address these concerns.

**Inspection of Embassy London, United Kingdom, and Constituent Posts and USIS United Kingdom (ISP/I-99-27)**

The association between the United States and the United Kingdom continues to be vital to U.S. interests. U.S. support for the peace process in Northern Ireland underscores the intimacy of this unique relationship. The effectiveness of U.S. efforts depends on careful coordination between U.S. missions in London and Dublin. Consulate General Belfast should be at the center of these efforts. The cross-border nature of many of the programs and activities supporting the peace process place a premium on the role of the consulate general. More can be done to improve communication and to further enhance the role of Consulate General Belfast as the principal U.S. presence on the scene.

The resources the United States devotes to its posts in Northern Ireland and Scotland are not commensurate with U.S. interests in these regions. In Belfast, the comprehensive recommendations made by an Embassy London management survey team should be implemented without delay. Training and staff reorganization are urgent priorities. In addition, more resources should be devoted to planning, coordination, and implementation of public diplomacy activities in support of the peace process. In Edinburgh, decisions about the longer-term U.S. presence are overdue.

Embassy London represents a unique platform for projecting U.S. views to European and other regional and global audiences. Much is already being made of these possibilities, particularly in the economic and commercial sectors. More can be done, however, in addressing the emerging global agenda including environmental and science and technology concerns. To be effective in this role, however, the Department must devote greater attention to the qualifications of those assigned to key positions at the Embassy. Multifunctional and public diplomacy skills; familiarity with global issues; and experience in multilateral diplomacy, including NATO and the European Union, must be given greater weight in the assignment process.

Embassy London should reduce the cost of doing business through better use of information technology, particularly robust, interactive networks. This is key to freeing up personnel resources needed elsewhere. Better-trained personnel and upgraded equipment are prerequisites for realizing this potential.

Post management needs to devote greater attention to security. Many of the recommendations left with the post at the end of 1998 by an OIG security oversight team are only now being addressed. Both the Department and the post should devote priority attention to addressing previously identified vulnerabilities.

**Inspection of Embassy Dublin, Ireland, and USIS Ireland (ISP/I-99-28)**

Support for the peace process in Northern Ireland remains the predominant U.S. concern in Ireland. As the peace process evolves, responsibility for day-to-day oversight of U.S. cross-border activities should pass to Embassy Dublin and Consulate General Belfast, with Embassy London continuing to handle coordination with U.K. authorities. Much has been done to improve communication among the three posts, but still more needs to be done to improve coordination on matters relating to Northern Ireland.

The U.S. presence in Ireland should reflect both the importance the United States attaches to the relationship and be tailored to the tasks that need to be performed to promote the relationship the United States seeks with the Republic beyond the peace process. Stepped up communication with non-governmental organizations, particularly Irish-American groups in the United States, is key to advancing this broader agenda. Embassy Dublin is not now prepared -- nor are preparations being made -- to assume the much broader responsibilities associated with the future bilateral agenda. To this end, Embassy Dublin should conduct a missionwide review of the resources needed to advance U.S. interests in Ireland in the post-peace process era.

Looking beyond the peace process, the new Ambassador seeks a relationship grounded in shared values and an agenda of common regional and global concerns. Despite the high regard the mission staff has for the new Ambassador, post morale remains low, particularly among national employees. This is symptomatic of larger management concerns. The Department's lack of attention to the staffing needs of Embassy Dublin, in part, reflects the post's failure to make its case for additional resources more persuasively through its own workforce planning.

USIS Ireland, rebuilding after three years without a public affairs officer, does not have the resources to carry out its public diplomacy role effectively. The USIS staff, among the smallest in any European Union country, may be below critical mass. Core public diplomacy functions are not being performed. Outreach tends to be ad hoc, is not guided by a functioning distribution and records system, and is not coordinated missionwide. Without additional resources, opportunities will continue to be lost.

Embassy Dublin has fallen seriously behind in efforts to bring its information systems up to date. The information management staff is capable but too small. Other agencies can communicate more easily with their staffs in Washington than with their colleagues across the hall in Dublin. Building on Ireland's status as a major regional center for electronic commerce, top priority should go to the preparation and funding of a communications enhancement program designed to establish Embassy Dublin as a model of electronic diplomacy.

**Inspection of Embassy Bucharest, Romania, and USIS Romania (ISP/I-99-29)**

Embassy Bucharest does not play the role in policy implementation that it should because of inadequacy of the dialogue with Washington and problems of post management. Reporting on political and economic issues is quantitatively and qualitatively inadequate to serve the Washington foreign affairs community. Reporting is not timely, it is weak on analysis, overly weighted toward policy prescriptions, and often tilted towards the Romanian perspective. As a result, Washington agencies have developed independent sources of information, and the Embassy's credibility and influence have suffered. The branch office at Cluj-Napoca serves little purpose and should be closed.

The Mission Performance Plan (MPP) document is complex, diffuse, and overly ambitious. The Department has been remiss in not providing clearer and firmer guidance and by making resources available for questionable purposes. The Embassy's unusual horizontal structure, an offshoot of the MPP, is not working. Stress levels among the staff are high, morale is not. The number of curtailments by officers exceeds expected norms.

Relations between post management and the U.S. Agency for International Development (USAID) are hampered by a blurring of the difference between oversight and interference. The Ambassador has set some priorities at variance with key elements in USAID strategic plan geared to transitional economies. USAID programs are central to encouraging the Government of Romania to continue the process of economic reform. The U.S. role in the reform process is critical.

Romania is in its third year of recession. Trade promotion, together with addressing the economic crisis and promoting economic reform, take half the Ambassador's time. While there have been notable successes in U.S. exports, investment, privatization, and economic reform, overall results are mixed due to the volatility of the business climate and complaints by some American firms of unequal advocacy on their behalf by the Embassy.

Public diplomacy has benefited greatly from the Ambassador's interest, in particular from his efforts to generate support for NATO's military action in Yugoslavia. Consular outreach and an internal website are notable mission successes. The Embassy enjoys a good, service-oriented image in the American community.

## **Reports Issued by the Office of Security and Intelligence Oversight**

During this reporting period, the following were completed: OIG security oversight inspections of Valletta, Malta; Dar es Salaam and Nairobi; and Protecting Classified Documents at State Department Headquarters. In addition, a follow-up review was conducted at Embassy Santo Domingo.